

NSC BRIEFING

24 June 1959

ARGENTINA

- I. Argentine President Frondizi is faced with political turmoil and threats of military coup.
- A. Main coup leaders small group trying to exploit extensive military discontent over severe strikes and violence of past seven months and over lesser military complaints.
  - B. Majority of military generally supports Frondizi's policies but displeased with execution.
  - C. Despite extensive confusion among armed forces and conflict in their demands, majority insist on a new cabinet and stronger policies against Peronista and Communist influence.
  - D. Frondizi accepted resignation of whole cabinet, except military secretaries, last Monday and conservative, nonparty elements may be brought in.
- II. Frondizi has been cracking down on Communists and Peronistas since last November, when state of siege declared.
- A. All Communist political activities banned in April after expulsion of four Russian and one Rumanian diplomat for interfering in domestic affairs.
  - B. Bulgarian minister expelled on 8 June.
- III. On 2 June Frondizi released letters showing Peronista and Communist negotiations for joint plotting. Right now Peronista and Communists are cooperating in labor agitation.

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~~B~~A. Agitation helped by 65 percent rise in living costs since start last January of US-backed stabilization program, a major Communist target.

~~B~~B. Military feel labor policies especially regarding union elections help Peronistas in efforts to regain control of organized labor as political weapon.

~~IV~~  
~~IV~~. Situation remains tense in face of plotting, military confusion and search for new cabinet, but negotiations under way may lead to compromise.